



# Nevada State Health Division Technical Bulletin



**Topic: Assembly Bill 535**

**Section/Program/Contact: Bureau of Health Care Quality and Compliance/Patricia Chambers**

**Date: August 2011**

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## **TO: Health Care Providers and Public**


The purpose of this bulletin is to notify all health care providers and the public of recently adopted statutes affecting licensed health care providers.

Under existing law, to operate a business which provides referrals to residential facilities for groups, a person must obtain a license from the Health Division and that business is prohibited from referring a person to an unlicensed residential facility for groups or to a facility owned by the referral business. Existing law does not address referrals made directly by health care providers and specifically exempts medical facilities already licensed prior to October 1, 1999.


On May 29, 2011 Governor Brian Sandoval signed into law Assembly Bill 535 (AB 535). AB 535 prohibits a referral business from referring persons to unlicensed or inappropriate residential facilities for groups. In addition, AB 535 prohibits a licensed medical facility or a facility for the dependent or their employees from referring persons to unlicensed or inappropriate residential facilities for groups. If a medical facility or facility for the dependent or their employees refer persons to unlicensed or inappropriate residential facilities for groups, the facility is liable for a civil penalty of not more than \$10,000 for a first offense, and of not less than \$10,000 or more than \$20,000 for a second or subsequent offense.

This law becomes effective July 1, 2011 and there will be no new regulations as a result of the law.

For detailed information, please go to [http://leg.state.nv.us/Session/76th2011/Bills/AB/AB535\\_EN.pdf](http://leg.state.nv.us/Session/76th2011/Bills/AB/AB535_EN.pdf)

Signed:   
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Nevada State Health Division

Date: August 1, 2011

Signed:   
Richard Whitley, MS, Administrator  
Nevada State Health Division

Date: August 1, 2011